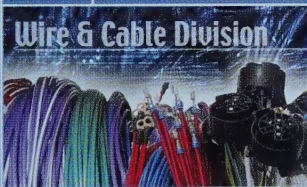


OEM Module Division



Wire & Cable Division



Instrumentation Division



Aftermarket Division



2001 *Annual Report*

PACIFIC INSIGHT ELECTRONICS CORP.

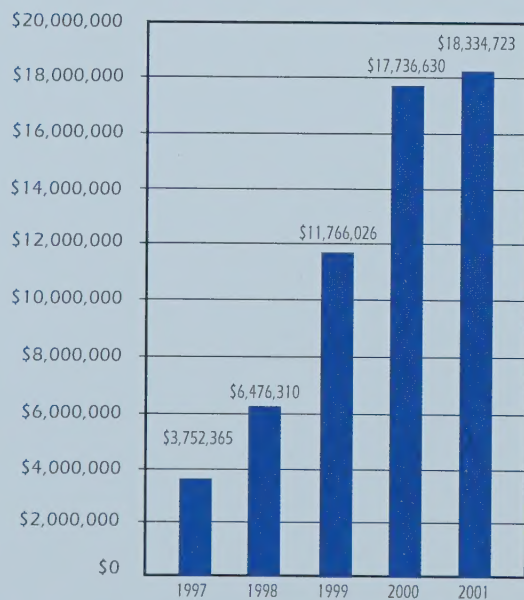
FINANCIAL HIGHLIGHTS
PACIFIC INSIGHT ELECTRONICS CORP.

FOR THE PERIOD ENDED JUNE 30		2001	2000	1999
Revenues	\$	18,334,723	17,736,630	11,766,026
Income before income taxes	\$	1,871,320	2,986,335	2,004,891
Income taxes	\$	728,207	1,067,122	736,798
Net income	\$	1,143,113	1,919,213	1,268,093
Earnings per share - basic	\$	0.15	0.28	0.20

AS OF JUNE 30		2001	2000	1999
Total assets	\$	14,200,352	12,756,126	5,999,483
Shareholders' equity	\$	12,129,307	9,772,638	3,786,753
Additions to capital assets	\$	4,079,276	1,544,477	1,128,605
Number of common shares	\$	8,314,168	7,076,268	6,341,568

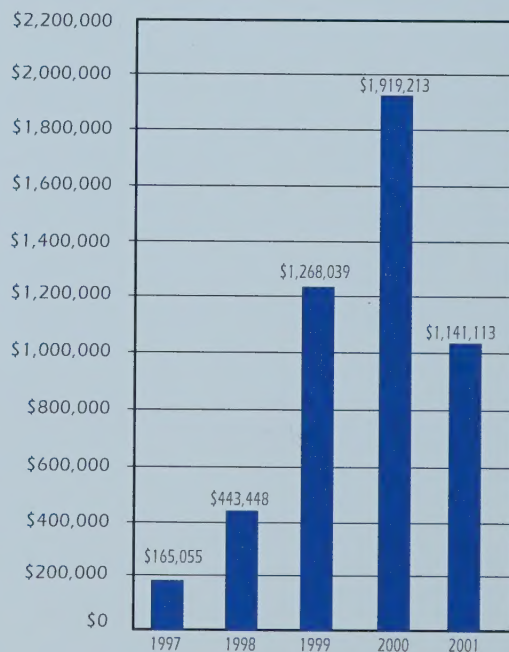
REVENUES

(Year ended June 30)



NET INCOME

(Year ended June 30)



Contents

2	Message to Shareholders
3	Management Discussion and Analysis
5	Auditors' Report
6	Balance sheet
7	Statement of Operations and Retained Earnings
8	Statement of Cash Flows
9	Notes to the financial statements: Significant Accounting Policies
11	Notes to the financial statements: Property, Plant and Equipment
12	Notes to the financial statements: Future Income Taxes
13	Notes to the financial statements: Capital Stock
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MESSAGE TO SHAREHOLDERS

Fiscal 2001, was a year of contrasts, full of progress and challenges, in particular, the downturn of the heavy truck industry.

One of the most positive events this fiscal year was completing our new 70,000 square foot manufacturing facility in Nelson. Pacific Insight consolidated both existing operations and moved into the new facility in January 2001. The new facility was designed to handle continued growth over the foreseeable future and should result in future operating efficiencies.

Winning the General Motors "Supplier of the Year Award" for the sixth year in a row was another major feat for Pacific Insight. The Award winners are selected out of GM's 30,000 worldwide suppliers by a global team of executives in purchasing, engineering, manufacturing and logistics. These GM executives base their decisions on supplier performances in respect to quality, service, price and technology. The recognition for excellence in supplier performance is something that every employee of Pacific Insight is conscious of and it is the business model that is used in customer business relationships.

With continued investment in product development, Pacific Insight has diversified into three industry sectors: Automotive, Heavy Truck and Marine. Four divisions were established within the Company to effectively manage this business. The four divisions created were Original Equipment (OEM) Modules, Wire and Cable, After Market and Instrumentation.

The OEM division includes products such as automotive modules (Daytime Running Lights and Belt minders), Truck Control Modules, and LED Marker Lights. The OEM module division generates between 60% to 70% of Pacific Insight's revenue. This division was the most affected by current economic conditions particularly the downturn in the heavy truck sector. One highlight was our first product opportunity with Jaguar, with a warning chime module, for the 2002 model year.

The wire and cable division reported a small increase in year-to-year sales. Diversification was instrumental in continuing growth in this division. Several new customers were secured which offset the decrease in business from the heavy truck sector.

The after market division had a year-to-year increase in sales of over 25% and contributed around 12% of gross revenue. The products that are included in this category are vehicle security systems, marine products and electronic flashers. A strategic tier two relationship was expanded to supply electrical products to an industry leader in the heating, ventilation and air conditioning transportation industry.

The instrumentation division continues to be a major growth opportunity for the Company. The gauge products were first introduced in the second quarter of fiscal 2000 and in fiscal 2001 contributed 7% of annual sales. A second major customer was secured for this division.

For the continuing benefit of our stakeholders, management is still committed to investing a substantial amount of profits into research and development. This year, almost \$1 million was allocated to this department.

What can we expect in the future? You can count on a focused group of individuals, managing growth and profitability. We see further expansion in our business relationships within all four divisions, despite the cyclical slow down in the economy.

On behalf of the Board,

Brad Smithson
President and CEO

A handwritten signature in black ink, appearing to read "Brad Smithson", is placed over the printed name and title.

MANAGEMENT DISCUSSION AND FINANCIAL ANALYSIS

Pacific Insight Electronics Corp. (PIH-CDNX) announces its financial results for the year ending June 30, 2001.

Revenue for the 2001 fiscal year increased 3% to \$18,334,723 compared with \$17,736,630 for the preceding year. Net income was \$1,143,113 for the year ended June 30, 2001 or \$.15 per share on average of 7,559,620 shares outstanding for the year. Net income for the preceding year was \$1,919,213 or \$.28 per share based on an average of 6,864,764 shares outstanding.

Revenue for the quarter ended June 30, 2001 amounted to \$5.23 million, compared to \$5.68 million for the preceding quarter ended June 30, 2000. For the respective quarters ended June 30th, net income was \$184,479 compared to \$709,734. In accordance with the new requirement of the Canadian Institute of Chartered Accountants (CICA), \$121,057 was booked for the provision of future income taxes in the fourth quarter of 2001.

Pacific Insight's revenue was affected by the downturn in the heavy truck sector in the third and fourth quarter of fiscal 2001. The impact was felt in the Original Equipment division, which represented 62% of fiscal 2001 sales, as compared to 71% of fiscal 2000. In addition, the soft heavy truck market affected revenue growth in both the wire and cable and instrumentation divisions.

Gross profit declined by 3% to 29.1% as compared to 32.1 % for the comparative year. Manufacturing overhead costs increased during the third and fourth quarter. The utilization of the new facility did not meet the expected forecast due to the slow down in the economy.

Amortization expenses increased \$188,370 for fiscal 2001 to \$463,463 as compared to \$275,093 for fiscal 2000. This increase is a direct result of the new facility and continued investment in manufacturing equipment.

Selling, general and administrative (SG&A) expenses consist of overhead costs such as salaries, commissions, office supplies and professional fees. Also included in SG&A, was research and development which increased \$313,000 to \$980,000 as compared to \$667,000 the prior year.

Income before taxes decreased for fiscal year 2001 to \$1,871,320 compared to \$2,986,335 for fiscal year 2000. In fiscal 2001, the corporation's income taxes totaled \$728,207 as compared to \$1,067,122 in fiscal 2000. The effective income tax rate for the corporation's operations for fiscal year 2000 was 38.9% compared to 35.73% for fiscal 2000. The CICA future provision for income tax increased the effective tax rate by 6.5% for fiscal 2001.

Inventories as of June 30, 2001 were \$3,479,211 as compared to \$3,091,935 at the end of the previous year. As a percentage of inventories, finished goods decreased 16% in 2001 as compared to 20% in fiscal 2000.

In fiscal 2001, the Corporation moved into its new facility on Insight Drive. The development started in late fiscal 2000 and was completed at a cost of \$4.1 million. The completed project is 70,000 square foot and is situated on 8 acres of land 5 kilometers west of Nelson, B.C.

Pacific Insight continues to invest in manufacturing equipment, which resulted in further capital expenditures of \$580,752 in fiscal 2001. These investments in plant and equipment were made to further improve operating efficiencies for the future.

-continued-



MANAGEMENT DISCUSSION AND FINANCIAL ANALYSIS (cont'd):

Cash flows provided by financing activities were \$1,305,678 in fiscal 2001. The \$1.3 million included the exercise of warrants and stock option shares. In addition, the Company borrowed \$2.0 million to complete the new facility and retired this debt in the month of May 2001.

As disclosed in the President's letter, Pacific Insight had a number of accomplishments this year despite the economic slow down in the third and fourth quarter of fiscal 2001. We will continue to build the Company in expectations of continued opportunities within all product divisions.

For any additional information on Pacific Insight Electronics Corp., please visit our web site at: pacificinsight.com

On behalf of the Board of Directors
PACIFIC INSIGHT ELECTRONICS CORP.,

A handwritten signature in black ink, appearing to read "Stuart D. Ross", is written over a horizontal line.

Stuart D. Ross
Chief Financial Officer

AUDITORS' REPORT

To the Shareholders of
Pacific Insight Electronics Corp.

We have audited the balance sheets of Pacific Insight Electronics Corp. as at June 30, 2001 and 2000 and the statements of operations and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a consistent basis.

Vancouver, Canada
August 17, 2001

"DAVIDSON & COMPANY"
Chartered Accountants

A Member of SC INTERNATIONAL

Suite 1200, Stock Exchange Tower, 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, BC, Canada, V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

PACIFIC INSIGHT ELECTRONICS CORP.

BALANCE SHEET
AS AT JUNE 30

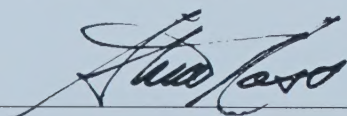
	2001	2000
ASSETS		
Current		
Cash and equivalents	\$ 1,021,396	\$ 3,497,350
Accounts receivable	3,375,162	3,454,491
Inventories (Note 2)	3,479,211	3,091,935
Deposits and prepaid expenses	63,906	67,486
	7,939,675	10,111,262
Property, plant and equipment (Note 3)	6,260,677	2,644,864
	\$ 14,200,352	\$ 12,756,126

LIABILITIES AND SHAREHOLDERS' EQUITY

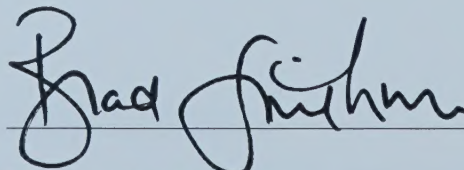
Current		
Accounts payable and accrued liabilities	\$ 1,183,066	\$ 2,108,828
Income taxes payable	128,512	328,372
Current portion of long-term debt	115,016	115,016
	1,426,594	2,552,216
Long-term debt (Note 4)	316,264	431,272
Future income taxes (Note 5)	328,187	-
	2,071,045	2,983,488
Shareholders' equity		
Capital stock (Note 6)	8,036,164	4,162,471
Special warrants (Note 7)	-	2,453,007
Retained earnings	4,093,143	3,157,160
	12,129,307	9,772,638
	\$ 14,200,352	\$ 12,756,126

Subsequent event (Note 10)

On behalf of the Board:



Director



Director

The accompanying notes are an integral part of these financial statements.

PACIFIC INSIGHT ELECTRONICS CORP.

STATEMENT OF OPERATIONS AND RETAINED EARNINGS
YEAR ENDED JUNE 30

	2001	2000
Sales	\$ 18,334,723	\$ 17,736,630
Cost of sales	12,995,770	12,104,437
Amortization	463,463	275,093
Selling, general and administrative	3,111,843	2,395,104
	16,571,076	14,774,634
Operating income	1,763,647	2,961,996
Interest income	107,673	24,339
Income before income taxes	1,871,320	2,986,335
Income taxes (Note 5)	728,207	1,067,122
Net income	1,143,113	1,919,213
Retained earnings, beginning of year	3,157,160	1,237,947
Adjustment to reflect adoption of liability method for future income taxes (Note 5)	(207,130)	-
Retained earnings, end of year	\$ 4,093,143	\$ 3,157,160
Earnings per share (Note 1)		
Basic	\$ 0.15	\$ 0.28
Diluted	0.14	0.25
Weighted average number of shares outstanding		
Basic	7,559,620	6,864,764
Diluted	8,028,481	7,696,043

The accompanying notes are an integral part of these financial statements.

PACIFIC INSIGHT ELECTRONICS CORP.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,143,113	\$ 1,919,213
Items not affecting cash		
Amortization	463,463	275,093
Future income taxes	121,057	-
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	79,329	(1,358,767)
Increase in inventory	(387,276)	(1,790,966)
(Increase) decrease in deposits and prepaid expenses	3,580	(46,131)
Increase (decrease) in accounts payable and accrued liabilities	(925,762)	931,368
Decrease in income taxes payable	(199,860)	(131,898)
Net cash provided by (used in) operating activities	297,644	(202,088)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,079,276)	(1,544,477)
Net cash used in investing activities	(4,079,276)	(1,544,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of capital stock	1,420,686	1,613,665
Issuance of special warrants	-	2,453,007
Proceeds of long-term debt	2,000,000	575,000
Repayment of long-term debt	(2,115,008)	(603,712)
Net cash provided by financing activities	1,305,678	4,037,960
Change in cash and equivalents during period	(2,475,954)	2,291,395
Cash and equivalents, beginning of year	3,497,350	1,205,955
Cash and equivalents, end of year	\$ 1,021,396	\$ 3,497,350

Supplemental disclosure with respect to cash flows (Note 9)

The accompanying notes are an integral part of these financial statements.

PACIFIC INSIGHT ELECTRONICS CORP.

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2001

1. **SIGNIFICANT ACCOUNTING POLICIES**

Cash and equivalents

Cash and equivalents represent highly liquid market investments with original maturity of three months or less.

Inventories

Finished goods are stated at the lower of average cost and net realizable value. Other inventories are stated at the lower of cost and replacement cost which is not in excess of net realizable value. Cost is determined on the first-in, first-out basis.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is provided over the assets' estimated useful lives on a straight-line basis at the following annual rates:

Building	2.5%
Equipment	6% - 20%

Financial instruments

The Company's financial instruments consist of cash and equivalents, accounts receivable, accounts payable, income taxes payable, and long-term debt. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Foreign exchange

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities are adjusted at each balance sheet date to reflect exchange rates prevailing at that date. Gains and losses arising from restatement of foreign currency monetary assets and liabilities at each period end are included in earnings.

Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

PACIFIC INSIGHT ELECTRONICS CORP.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001

1. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd...)

Income taxes

Income taxes are calculated using the liability method of tax accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary difference are expected to reverse.

Stock-based compensation plan

The Company grants stock options to executive officers and directors, employees and consultants pursuant to a stock option plan described in Note 8. No compensation is recognized for this plan when stock options are granted or extended. Any consideration received on exercise of stock options is credited to capital stock.

Segmented information

The Company conducts substantially all of its operations in North America in advanced vehicle technologies.

Earnings per share

Effective January 1, 2001, the Corporation retroactively adopted the new recommendations of the Canadian Institute of Chartered Accountants ("CICA") with respect to the computation of diluted earnings per common share. Under the new standards, the treasury stock method is used in determining the dilutive effect of options and warrants (Note 8). Previously, the imputed earnings approach was used. As a result of this change, diluted earnings per common share for the year ended 2000 was restated from \$0.21 to \$0.25.

2. **INVENTORIES**

	2001	2000
Raw materials	\$ 2,922,668	\$ 2,458,713
Finished goods	556,543	633,222
	<u>\$ 3,479,211</u>	<u>\$ 3,091,935</u>

PACIFIC INSIGHT ELECTRONICS CORP.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001

3. **PROPERTY, PLANT AND EQUIPMENT**

	Cost	Accumulated Amortization	Net Book Value	
			2001	2000
Land	\$ 440,831	\$ -	\$ 440,831	\$ 319,986
Building	3,664,558	37,094	3,627,464	630,011
Equipment	3,307,373	1,114,991	2,192,382	1,611,630
Leasehold improvements	233,123	233,123	-	83,237
	<u>\$ 7,645,885</u>	<u>\$ 1,385,208</u>	<u>\$ 6,260,677</u>	<u>\$ 2,644,864</u>

4. **LONG-TERM DEBT**

	2001	2000
Demand loan, bearing interest at bank prime rate plus 0.25%, repayable at \$9,584 per month plus interest, due March 31, 2005, secured.	\$ 431,280	\$ 546,288
Less: current portion	<u>(115,016)</u>	<u>(115,016)</u>
	<u>\$ 316,264</u>	<u>\$ 431,272</u>

5. **FUTURE INCOME TAXES**

Effective July 1, 2000, the Company adopted the new recommendations of the CICA with respect to accounting for income taxes. Under the new recommendations, the liability method of tax allocation is being used, based on differences between financial reporting and tax basis of assets and liabilities. The new method was applied retroactively without restatement of the 2000 financial statements.

The effect of the new recommendations on the opening 2001 financial statements was to increase (decrease) the following:

Future income taxes	\$ 207,130
Retained earnings	(207,130)

PACIFIC INSIGHT ELECTRONICS CORP.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001

5. **FUTURE INCOME TAXES** (cont'd...)

Income tax expense differs from the amounts which would be obtained by applying the combined Canadian basic federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	2001	2000
Income before income taxes	\$ 1,871,320	\$ 2,986,335
Combined Canadian basic federal and provincial income tax rates	44.60%	45.62%
Income taxes based on combined Canadian basic federal and provincial income tax rates	\$ 834,608	\$ 1,362,366
Decrease in income taxes resulting from:		
Manufacturing and processing deduction	(104,036)	(162,368)
Other	(2,365)	(132,876)
	\$ 728,207	\$ 1,067,122
Income taxes:		
Current provision	\$ 607,150	\$ 1,067,122
Future provision	121,057	-
	\$ 728,207	\$ 1,067,122

The components of the future income tax liability at June 30, 2001, are as follows:

Future income tax liabilities	
Property, plant and equipment	\$ 328,187

6. **CAPITAL STOCK**

	Number of Shares	Amount
Authorized		
100,000,000 common shares without par value		
Issued		
As at June 30, 1999	6,508,068	\$ 2,646,370
Exercise of options	240,500	287,615
Private placement	494,200	1,326,050

PACIFIC INSIGHT ELECTRONICS CORP.

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2001

6. **CAPITAL STOCK** (cont'd...)

	Number of Shares	Amount
Continued...		
Issued		
As at June 30, 2000	7,242,768	4,260,035
Exercise of options	161,900	213,147
Exercise of special warrants	636,895	2,453,007
Exercise of warrants	439,105	1,207,539
As at June 30, 2001	8,480,668	8,133,728
Treasury shares held	(166,500)	(97,564)
As at June 30, 2001	8,314,168	\$ 8,036,164

7. **SPECIAL WARRANTS**

During the year ended June 30, 2000, the Company completed a private placement by issuing 628,976 special warrants for gross proceeds of \$2,453,007. An additional 7,919 special warrants of the Company were issued as a finders' fee. Each special warrant was exercised into one unit with each unit comprised of one common share and one non-transferable share purchase warrant. Each share purchase warrant entitled the holder to acquire an additional common share of the Company for a period of two years at a price of \$3.90 per share in the first year and \$4.48 per share in the second year.

8. **STOCK OPTIONS AND WARRANTS**

Shareholders of the Company have approved a stock option plan under which the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to a maximum of 1,650,000 common shares of the Company at any point in time. Under the plan, the exercise price of each option shall not be less than the closing price of the Company's shares for the 10 trading days preceding the date of grant. The options can be granted for a maximum term of 10 years.

PACIFIC INSIGHT ELECTRONICS CORP.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001

8. **STOCK OPTIONS AND WARRANTS** (cont'd...)

At June 30, 2001, employee and director incentive stock options were outstanding enabling the optionees to acquire the following number of shares:

	Number of Shares	Exercise Price	Expiry Date
	40,204	\$ 0.94	November 3, 2005
	203,896	1.43	February 22, 2006
	10,000	1.30	April 22, 2007
	32,000	1.30	October 21, 2008
	160,000	1.38	November 30, 2008
	40,000	1.45	December 2, 2008
	264,000	1.85	February 7, 2009
	75,000	3.06	December 16, 2009
	169,000	4.10	May 9, 2005

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 1999	1,152,500	\$ 1.43
Options granted	266,000	3.76
Options cancelled/expired	-	-
Options exercised	(240,500)	1.20
Balance, June 30, 2000	1,178,000	2.00
Options granted	-	-
Options cancelled/expired	(22,000)	3.20
Options exercised	(161,900)	1.29
Balance, June 30, 2001	994,100	\$ 2.09
Number of options currently exercisable	994,100	\$ 2.09

PACIFIC INSIGHT ELECTRONICS CORP.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001

8. **STOCK OPTIONS AND WARRANTS** (cont'd...)

At June 30, 2001, the following warrants were outstanding enabling the holders to acquire the following number of shares:

	Number of Shares	Exercise Price	Expiry Date
	55,095	\$ 3.16	September 8, 2001
	636,895	4.48	June 14, 2002

9. **SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	2001	2000
Cash paid for income taxes	\$ 812,572	\$ 1,199,020
Cash paid for interest expense	108,426	37,146

There were no significant non-cash transactions during the year ended June 30, 2001.

Significant non-cash transactions during the year ended June 30, 2000 included the following:

- a) The Company issued 12,000 common shares as commissions for a private placement.
- b) The Company issued 7,919 special warrants as a finders' fee.

10. **SUBSEQUENT EVENT**

Subsequent to June 30, 2001, the Corporation issued 51,400 common shares for total proceeds of \$72,382 pursuant to the exercise of stock options.



British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT

BC FORM 51-901F
(previously Form 61)

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the Securities Act. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393

ISSUER DETAILS					
NAME OF ISSUERS		FOR QUARTER ENDED		DATE OF REPORT	
PACIFIC INSIGHT ELECTRONICS CORP.		01 06 30		01 08 17	
ISSUER ADDRESS					
1155 INSIGHT DRIVE					
CITY/	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.	
NELSON	BC	V1L 5P5	250-354-1166	250-354-1155	
CONTACT PERSON		CONTACT'S POSITION		CONTACT TELEPHONE NO.	
STUART D. ROSS		DIRECTOR		250-354-1155	
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS			
corporate@pacificinsight.com		www.pacificinsight.com			

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
	STUART D. ROSS	Y 01 M 09 D 13
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
	BRADLEY D. SMITHSON	Y 01 M 09 D 13

FIN51-901F Rev.2/00/12/19

PACIFIC INSIGHT ELECTRONICS CORP.

QUARTERLY AND YEAR END REPORT - FORM 51-901F
JUNE 30, 2001

SCHEDULE A: FINANCIAL INFORMATION

See the attached audited financial statements for the year ended June 30, 2001.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. For the current fiscal year-to-date period:

a) Cost of sales:

Direct materials	\$ 8,391,172
Direct labour	3,198,448
Manufacturing overhead	<u>1,406,150</u>
	<u>\$ 12,995,770</u>

b) Selling, general and administrative:

Commission	\$ 309,576
Office and miscellaneous	543,105
Professional fees	140,316
Rent and utilities	122,553
Research and development	980,347
Salaries	907,200
Travel	<u>108,746</u>
	<u>\$ 3,111,843</u>

2. Related party transactions: Nil.

3. For the current fiscal year-to-date period:

a) Summary of securities issued: See Note 6 of the attached audited financial statements for the year ended June 30, 2001.

b) Summary of options granted: Nil.

4. As at the end of the reporting period:

a) Authorized share capital: See Note 6 of the attached audited financial statements for the year ended June 30, 2001

b) Shares issued and outstanding: See Note 6 of the attached audited financial statements for the year ended June 30, 2001

c) Stock options and warrants outstanding: See Note 8 of the attached audited financial statements for the year ended June 30, 2001.

d) Number of escrow shares: Nil.

5. Directors and officers:

Bradley D. Smithson – Director and President

Stuart D. Ross – Director and CFO

J. Cowan McKinney - Director and Chairman of the board

Mackenzie (Mac) Norris - Director

Stuart O. McLaughlin - Director

James F. (Rick) Durst - Director



PACIFIC INSIGHT ELECTRONICS CORP.

1155 Insight Drive

Nelson, British Columbia V1L 5P5

1•800•995-1155

Corporate Web Site • pacificinsight.com